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Part II. DEPUTY DIRECTORS: SPECIAL REQUIREMENTS FOR DIRECTORATE OVERVIEWS

Experiences of the past several years leave no room for doubt that a thorough and realistic review of the 1978 program must be made this July and that we must do our utmost to develop a program that will stand up to rigorous external examination. We no longer have freedom to reallocate substantial sums during the year before the budget is effective; we must be prepared for externally imposed cuts of substantial magnitude; we must have adequate grounds for defending Agency programs against arbitrary or ill-informed cuts. Under these circumstances, the Deputy Directors' comments accompanying the Program Plans of the components take on added importance.

Deputy Directors are requested again this year to comment about the resource requests of subordinate components overall, and to give particular attention to key issues having Directorate significance. In addition, Deputy Directors are requested to address other key issues judged significant at the Directorate level that may not have been identified at subordinate levels. Not every Resource Package will have a key issue to be identified, of course, nor is it expected that Deputy Directors will want to comment on every key issue that is identified. Five or six of those most important to the Directorate and most likely to be of interest to the Director should be selected.

We must be able to weigh resource requirements against one another in an Agency context and to factor alternative possible OMB and Congressional actions into our plans as they are being developed. Deputy Directors are, therefore, asked to provide their views on the impact of different levels of resources for FY 1978. In addition to a realistic budget for FY 1978, options at the FY 1977 level and at a level 2% below the FY 1977 figure should be provided. Deputy Directors should provide specific detail and discussion, at the Resource Package level, of activities that would be eliminated or curtailed to meet each of the lower levels. They should also provide an assessment on the impact of each specific cut on operations and/or products.

To supplement and round out the evaluative material included in Resource Package Submissions, each Deputy Director should provide an overall evaluation of major accomplishments and significant problems in his Directorate. The discussion should relate at least in part to high-level (Directorate

and Community) objectives and to matters highlighted in the Financial Guidance Memoranda and the Congressional review process. The better the material we receive from the Directorates, the more effectively we can present the Agency's case to OMB, the President's Foreign Intelligence Advisory Board and Congressional committees.

Each Deputy Director is also asked for a summation and discussion of the Five Year Projections. Both the new Congressional Budget process and the increase in Congressional scrutiny of Agency programs are serving to focus attention on these projections, and it is important that we be in a position to discuss and defend them in some detail.

The Directorate overview should be accompanied by two printouts: a summary by major component of positions, A.E., and funds for each FY; and a subobject class summary by FY for the directorate as a whole.

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Part III. RESOURCE PACKAGES

A. Instructions and Sample Format (All pages should be letter size and horizontal as shown here.)

1. Identification

Package Name _____ Package Number _____

Directorate _____ Component (Office/Division/Staff)

Organizational Unit _____ (Within Component)

Program Category _____

2. Purpose and Description of the Package

Provide a brief summary description of the Resource Package as an introductory paragraph. Subsequent portions of this section should describe major activities and objectives within the package, and identify major products and services, as well as major consumers. Make the relationship between the activities and the resources clear.

3. Evaluation

Evaluate briefly the accomplishments of each activity in this package through the first eight months of FY 1976, relating accomplishments to the objectives set forth in last year's Program Submission and, where practical, to resources assigned. Briefly describe disappointments, failures, or shortfalls and corrective actions taken or to be taken as well as notable successes achieved. Successes should be described as factually as possible; we have an acute need for more and better examples than can be used to illustrate to appropriate outsiders (e.g., OMB, PFIAB and the Appropriations Committees) the value of the work of the Agency. Whenever possible, relate these successes to the overall Agency

mission--better intelligence. Evaluations may be qualitative but should be supported by quantified data where possible. They should relate performance and resources to KIQs where the connection is clear and direct. Stress should be on:

- Identifying problem areas (both resource issues and management issues)
- Identifying cross-directorate and cross-component issues
- Relating progress against last year's stated objectives to permit continuing higher level review of quality of performance
- Assessing whether accomplishments are/were worth the price.

4. Projections

a. Operating and Program Years

Describe briefly and specifically the results to be achieved by this package during both FY 1977 and FY 1978 that make the application and expenditure of the resources requested necessary. These will be the objectives you will use in next year's Program Submission to measure progress. When the results have been achieved, how will you know whether they were worth the resources expended?

Describe here any major problems you foresee in living with the FY 1977 budget that has been submitted to Congress.

b. Five-Year Projection

Describe briefly the purposes and functions of this Resource Package through FY 1982. What is expected to be achieved during these years? How does it differ, if at all, from previous years? Are new products and/or services planned? Is any change or expansion of customers

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anticipated? Personnel and financial resources required during the period, year by year, are to be tabulated by Resource Package, and totaled for the component in a separate table. Reasons for significant changes in resource levels should be explained. Planned capital expenditures should be separately tabulated and discussed. Indicate your degree of confidence in these projections. Identify important future resource implications that will follow from FY 1976 developments. Identify any areas in which significant changes in resource allocations during 1977 and 1978 will result in significant savings or cost increases over the longer run.

5. Key Issues

In preparing for the DCI's review of the 1978 program, the Comptroller will single out particular issues on which the Director's attention should be focused. Such issues may relate to funds, positions, actions proposed that will carry over to later fiscal years, organizational structure, new initiatives, termination or phasing-out of old programs, and the like. The five-year projections requested above will play a part in this process. To further facilitate our work, Resource Package submissions should address activities related to issues identified by the Director in his Financial Guidance letters of August 1975 and issues in which OMB and/or Congressional committees have shown particular interest. They should also single out any other activities, plans and problems that appear to deserve intensive examination, and/or guidance of higher authorities.

6. Explanation and Justification of Changes in Resource Levels

Basic resource data (Positions, A.E. and Funds) broken down by object class will be provided for each Resource Package in the computer runs shown in Exhibit A.

The reasons for changes in both positions and fund levels for FY 1978 over FY 1977 should be provided in sufficient detail to facilitate meaningful analysis and evaluation. Abnormal rates of change should be explained. Base information should be included when (a) describing changes in fund requirements for an activity or category within a Resource Package where the changes are not readily identifiable from the data display, or (b) it contributes to placing the requirement into perspective, e.g., an increase of \$25,000 (on a base of \$100,000) for minority recruitment, including advertising, travel, and related costs to meet Agency EEO goals.

Changes in positions and A.E. must be explained with programmatic implications described in detail. Justifications must be specific as to the WHY of the change (i.e., cost increase, change in scope of program, etc.) and not merely a statement of WHAT the change represents. For example, explain an increase in temporary and part time employment costs in terms of the specific requirements for additional functions to be performed, or reasons for periodic peaks in workload--not just as money needed for more temporary employees.

B. Exhibits: Instructions and Sample Formats

1. General

A series of exhibits will complete the Program submission. The automated Financial Resource System will be used to provide data for the FY 1978 Program submission in the same general manner as last year. Computer printouts will display data in the Financial Resources System on an organizational basis by Resource Package. Dollar totals for each Resource Package should be rounded to the nearest thousand. Average employment (A.E.) data may be reflected down to tenths of years in individual Resource Packages, but must total a whole number at the office (in the DDO, division) level. The data displayed for FY 1977 will be reflected in the FY 1977 Congressional Budget, as amended, by any additions approved by the DCI and OMB. The data displayed for FY 1976 will be that reflected in the currently approved Operating Plan.

Staff and contract positions are controlled under a single ceiling. Only one figure representing the total of full time permanent positions will be shown in the submission for FY 1978, reflecting the merger of subobject class 1145 into subobject class 1101, Full Time Permanent Appointed and Contract Employees. See Exhibit A. No position data should be included for temporary and part-time personnel (subobject class 1148), consultants (subobject class 1134), or for indigenous employees (subobject class 1152)--only A.E. data should be reflected for such personnel.

2. Exhibits

Exhibit A is required for each Resource Package; Exhibits B, C and D are required for each component; and Exhibits E and F are required if applicable.

Part IV

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